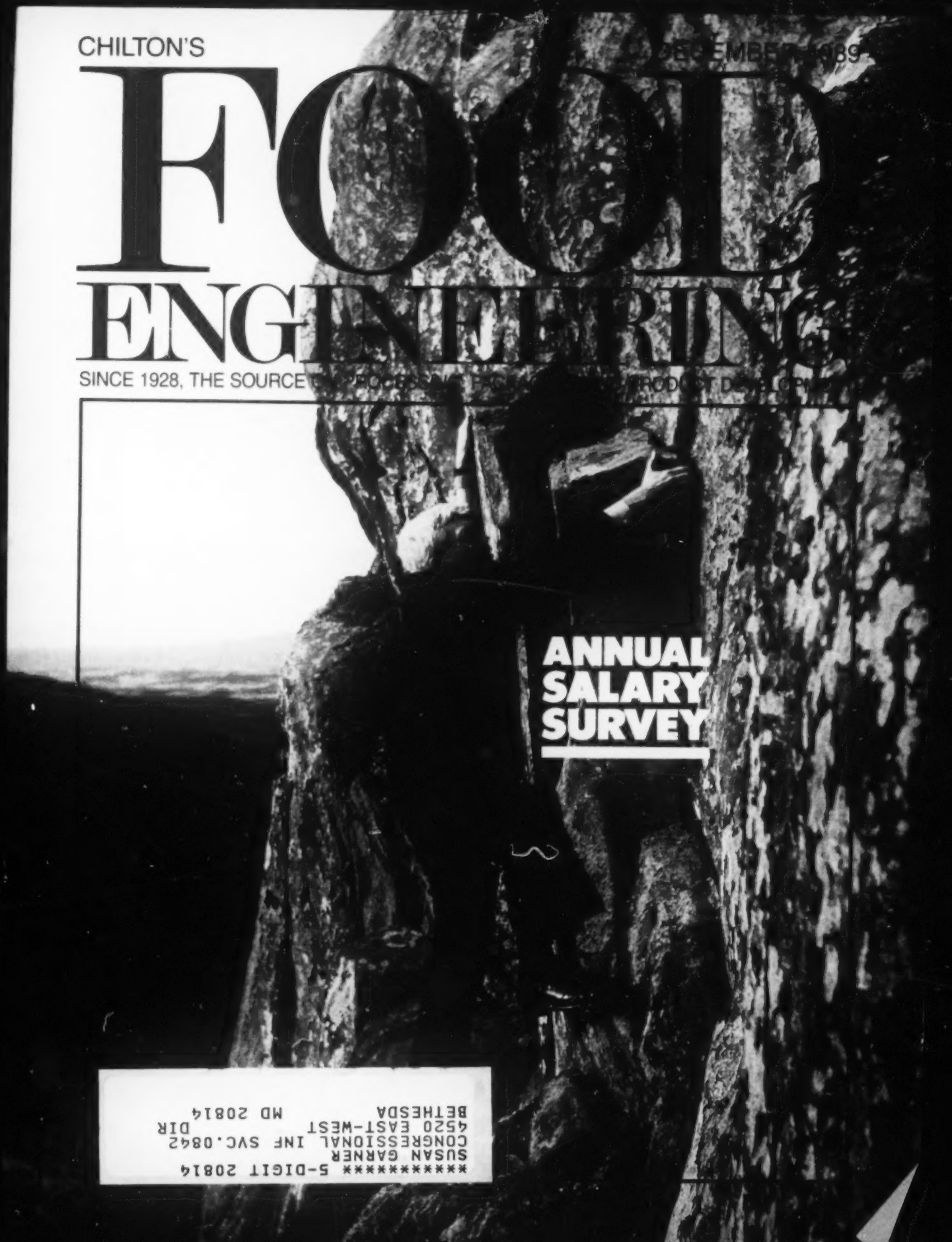

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FOOD ENGINEERING

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Salary increases in the food industry averaged 7.4 percent during the past year. But most people's concerns are not about inadequate salaries, but overwork and lack of job security and benefits.

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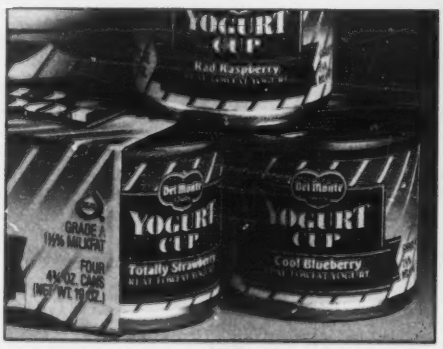

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CHILTON FOOD GROUP

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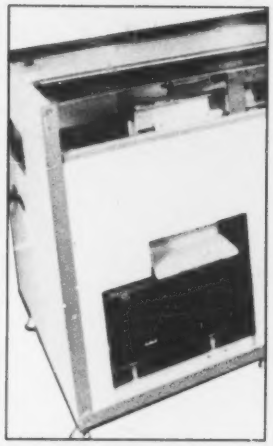

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CASING, CARTONING, AND PALLETIZING

The current crop of machines works at amazing speeds providing phenomenal efficiency levels for today's packagers and processo s.

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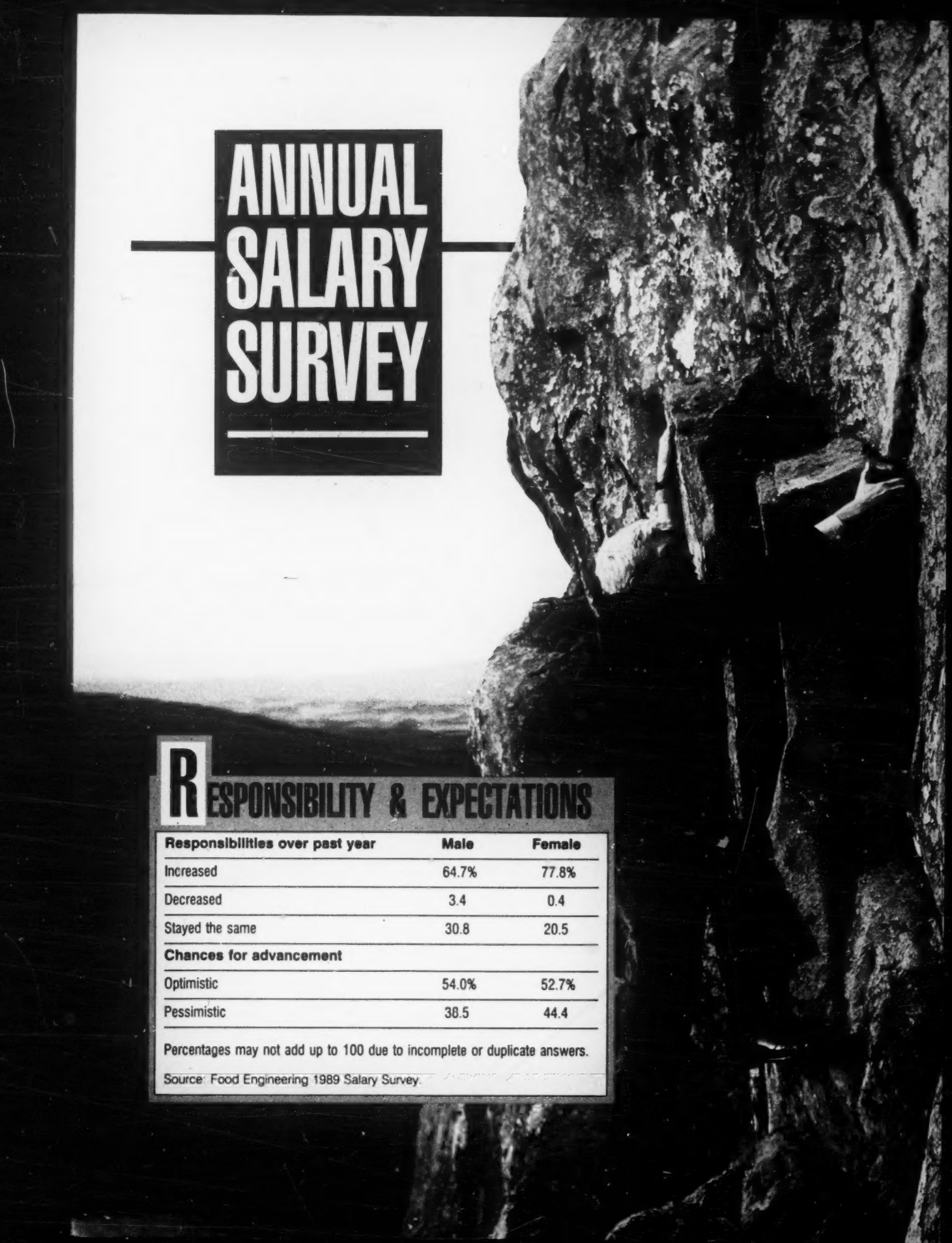
ANNUAL SALARY SURVEY



RESPONSIBILITY & EXPECTATIONS

Responsibilities over past year	Male	Female
Increased	64.7%	77.8%
Decreased	3.4	0.4
Stayed the same	30.8	20.5
Chances for advancement		
Optimistic	54.0%	52.7%
Pessimistic	38.5	44.4

Percentages may not add up to 100 due to incomplete or duplicate answers.

Source: Food Engineering 1989 Salary Survey.

Lack of job security, loss of medical and other benefits, and excess work load are among the concerns expressed in Food Engineering's annual salary survey.

Salary increases in the food industry averaged 7.4 percent during the past year, slightly lower than the 7.8 percent of the previous year, according to *Food Engineering's* annual salary survey. But most people's concerns are not over inadequate salaries since most think they can receive raises by changing jobs—at least most people under 50.

Age discrimination was listed most often as the reason for pessimism about career future. Of the 10,000 people who were mailed questioners, 1,539 responded. And while there were some complaints about low salaries—especially in the dairy field—most people's concerns were in other areas. In addition to age discrimination, these concerns included attitudes towards women, lack of advancement opportunities for technical people who do not go into management, reduced medical and other benefits, hiring outside people, promoting only family members in family-owned businesses, and job uncertainty due to leveraged buyouts (LBOs).

It's no secret that the food industry has been plagued by mergers, acquisitions and LBOs. A number of people responding to *FE's* survey blamed mergers for feeling pessimistic about their chances for advancement. One respondent said that mergers and leveraged buyouts have reduced the opportunity for advancement, while another stated that a recent buyout of his company resulted in hiring from outside rather than promoting from within.

LBOs decrease morale

LBOs are also being blamed for personnel cutbacks, resulting in overwork. But the most serious complaint about LBOs is the lack of job security in the food industry. This lack of security on employees' part is decreasing company loyalty. One respondent stated, "I worked for a company for 30 years and was given a golden boot! I am now employed at another company and am not sure I wish to give it the commitment and trust I have given in the past."

Another person expressed similar sentiments, "LBOs and hostile takeovers are ruining companies and people. It's unmitigated greed. Although salaries are important, they are not the sole purpose for working for most technical or creative people; morale and a job's meaning are also important. We are destroying fundamental work values in the name of short-term profits and get-rich-schemes. Where's loyalty when you can be sold just like any other commodity?"

Women making progress

A continuing area of concern is the fact that women's salaries within the food industry continue to lag behind men's. But the good news is, the gap is narrowing. The average woman's salary in our survey increased 9.0 percent from 1988 to 1989 to reach $33,549, while the average male's salary only increased 7.1 percent for the same period. But that still brought the average male salary to $47,766 in 1989.

In addition, a greater percentage of women had increased responsibilities in 1989 than men (see chart). More women than men also felt pessimistic about chances for advancement. Some of the reasons given are:

- "Women in the food industry still face a lot of sexual prejudice. This is not evident until one gets to know the higher management and company better. Many women are being hired at the entry level; however, their advancement is not as easily obtained as men who are usually given more leeway."
- "Males in this company feel threatened by the possibility of a woman moving up."
- "I am as far as I can go in this company. Women are not promoted to upper management here."
- "I can advance to a certain level, but managerial positions are scarce for women at this company."
- "The ridiculous discrepancy between male and female salaries has to stop. My male counterpart [marketing manager] has been here a year less and makes three times my salary [I saw his pay stub]. If only companies would realize the best asset they have is good, loyal employees. Paying people low salaries does not save money."

Emphasis on education

Not having a college degree (or, in some cases, an advanced degree) was considered

ANN E. PRZYBYLA
Senior Editor

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by many to be a hindrance to advancement. One person stated, "Most of the promotions are going to younger Ph.D.s. The old-timers are gradually being replaced by younger people."

Some of the respondents, who realized that lack of education is a roadblock to advancement, commented that they are doing something about it. One person expressed optimism for the future since he/she is currently completing a degree at night school. Another person said that while not enough education is an obstacle to advancement, "This is my fault, but I'm working on it."

Willingness to relocate was also often cited as a factor necessary to advance. In some cases, people were willing to pass up opportunities for advancement rather than relocate. Dual career paths was listed as one reason for not wanting to relocate.

Technical versus managerial career path

Opting for the technical route versus managerial in food companies can have some drawbacks. One person expressed pessimism about future advancement since reaching the top of the technical ladder and not having the desire to go into management. Another person asked, "Why are managers paid more than technical staff?"

One comment which summed up the feeling expressed by a number of people was, "The food industry top management is now mainly composed of individuals from the financial or marketing sides of the business. Often, they do not recognize the technical and manufacturing managers are the backbone of this highly detailed business we are in and do not pay them accordingly."

Comments about specific technical areas were also made.

- "The U.S. will not recover its former manufacturing competence unless salary levels for manufacturing engineers are made explicitly equivalent to R&D engineers."
- "Engineering taking a back seat to marketing and finance. Engineers work longer

SALARY (IN $1,000s) BY JOB FUNCTION

	Under 20	20-24.9	25-29.9	30-34.9	35-39.9	40-44.9	45-49.9	50-54.9	55-59.9	60-69.9	70 or more
President	5.3%	3.2%	1.1%	6.4%	5.3%	11.7%	7.4%	6.4%	4.3%	4.3%	44.6%
V.P./mfg.	–	–	1.9	3.9	1.9	5.8	1.9	9.6	5.8	11.5	57.7
V.P./mktg.	–	6.1	6.1	3.0	3.0	9.0	6.1	9.0	12.1	15.2	30.4
Plant mgr.	0.7	4.2	3.5	9.2	14.1	12.7	11.3	13.4	6.3	9.9	14.7
Production supervisor	1.2	7.5	6.2	28.8	13.8	17.5	8.8	7.5	1.2	3.8	3.7
Engineering manager	–	1.5	0.8	5.4	7.7	13.1	10.0	13.1	12.3	20.0	16.1
Project eng.	–	–	1.4	14.3	16.4	22.6	15.8	11.6	10.3	5.5	2.1
Purchasing manager	3.9	9.0	5.1	11.5	17.9	11.5	20.5	5.1	2.6	5.1	7.8
Technical director	–	–	6.2	3.6	11.2	8.8	8.8	11.2	11.2	16.3	22.5
QC manager	4.9	6.3	11.9	20.2	16.8	11.9	9.8	7.7	3.5	4.9	2.1
Food tech.	1.8	9.4	12.3	20.4	15.2	9.9	12.9	5.8	5.3	5.8	1.2
Chemist	1.1	1.1	2.1	8.4	13.7	11.6	8.4	16.8	8.4	15.8	12.6
Sanitation/ maint. mgr.	1.3	3.9	8.6	10.5	9.9	9.9	11.9	9.2	7.2	11.2	16.4

Source: Food Engineering 1989 Salary Survey.

and harder, but don't reap proportionate rewards."

- "It's a shame that our company will pay some clown with an MBA at least $40,000 to start and an experienced QC person with an ASQC certification will take at very minimum [and with yearly moving, etc.] five years to reach that level—even if they have a *real education*."
- "My salary is good in my industry. But compared to marketing and other groups, we in R&D are pikers."

Those who are satisfied

People responding to the salary survey who were happy with their current situation and/or optimistic about their chances for advancement often worked for a company which was in a growth mode and/or where promotions from within the company are common. Or, they were willing to make changes in order to improve their situation. One person cited optimism for the future but added, "not at this company." Another stated that the opportunity for advancement is always there, "if I prefer to relocate."

The need to change jobs was often cited as necessary to obtain a satisfactory salary. One respondent stated, "I have reached my

MEDIAN SALARY BY SEX

	1989	% increase over 1988
Male	$47,766	+7.1
Female	33,549	+9.0

Source: Food Engineering 1989 Salary Survey.

MEDIAN SALARY BY EDUCATION

High school or less	$39,374
Some college	38,909
B.S.	44,635
M.S.	52,638
Ph.D.	59,721

Source: Food Engineering 1989 Salary Survey.

MEDIAN SALARY BY EXPERIENCE

Less than 6 years	$34,957
6-9	38,399
10-14	43,818
15-19	46,483
20-24	52,749
25-29	52,856
30 or more	54,731

Source: Food Engineering 1989 Salary Survey.

MEDIAN SALARY BY REGION

Geographic region	Median salary
New England	$42,999
Mid-Atlantic	49,122
East North Central	42,601
West North Central	44,258
South Atlantic	44,558
East South Central	43,332
West South Central	44,999
Mountain	38,749
Pacific	46,817

Source: Food Engineering 1989 Salary Survey.

ANNUAL SALARY SURVEY

present salary level through several job changes, I feel I would not have achieved this level by staying with one company. My range of experience has made me more valuable to the industry."

Some companies do offer employees opportunities to advance both in knowledge and salary, rather than lose them to other companies. For example, one person stated that being in an R&D environment, he/she has the opportunity to acquire any skill – chemistry, engineering, flavor, sensory – desired. Being young, energetic and flexible was listed as a reason for being optimistic; while another stated that management's willingness to listen to ideas and problems was an indication of a positive future. On the other hand, lack of communications was often listed as a major stumbling block to effectively performing one's job.

As food industry managers struggle to keep valued employees content in an uncertain business environment, a number of factors need to be considered in addition to salary. Only one person said a raise was one of the greatest obstacles hindering more effective job performance – the most common complaint was being understaffed or overworked. Today, quality of life is being measured by factors such as where one lives, having control over one's life (including having input on decisions concerning their working environment) and being valued, in addition to how many possessions one has.

TITLE BY EDUCATION & SEX

Job title	High school or less	Some college	B.S.	M.S.	Ph.D.	Male	Female
President	10.6%	28.7%	41.5%	14.9%	4.3%	93.6%	5.3%
V.P./manuf.	5.8	17.3	48.1	25.0	3.8	98.1	1.9
V.P./marketing	6.1	24.2	57.6	12.1	–	87.9	12.1
V.P./R&D	–	5.3	10.5	42.1	36.8	89.5	10.5
Plant manager	12.7	28.9	44.4	14.1	–	95.1	4.2
Operations/mfg. prod. mgr./sup.	12.5	23.8	53.8	8.8	–	90.0	10.0
Engineering mgr.	3.8	21.5	53.1	21.5	–	98.5	0.8
Project/proc. eng.	0.7	13.0	69.9	15.8	–	88.4	11.0
Packaging mgr.	15.0	30.0	40.0	15.0	–	100.0	–
Purchasing mgr.	10.3	35.9	46.2	7.7	–	79.5	20.5
Technical dir.	–	2.5	47.5	23.8	26.2	85.0	13.8
QC manager	1.4	16.1	61.5	17.5	3.5	69.2	29.4
Fd. tech./chemist	–	8.2	54.4	25.7	11.7	64.3	35.1
Marketing/prod./ sales manager	–	18.9	53.7	27.4	–	80.0	18.9
Sanit./maint. mgr.	14.3	42.9	36.7	6.1	–	100.0	–
Trans./dist. mgr.	15.6	31.2	40.6	12.5	–	78.1	21.9
Purch. agt./buyer	–	40.0	46.7	13.3	–	40.0	60.0

Percentages may not add up to 100 due to incomplete or duplicate answers.

Source: Food Engineering 1989 Salary Survey.